

USAID/Sudan
ANNUAL REPORT FY 2003

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A. Program Level Narrative

Program Performance Summary:

For the first time in decades, there is optimism that a peace process may be leading to a comprehensive national settlement to the 20-year civil war. As a result of peace negotiations sponsored by the Intergovernmental Authority on Development (IGAD) and strongly supported by the United States, Sudanese leaders have agreed to a six-year interim period of autonomy for a "southern entity" within the context of a national unity government. At the end of the six years, southern Sudanese will vote in a referendum for unity or secession. The peace negotiations have also resulted in agreements on freedom of religion in southern Sudan; and on unlimited humanitarian access and a cessation of hostilities during negotiations. The successful cease-fire in the Nuba Mountains has opened opportunities for delivery of humanitarian assistance to this long-isolated region. Economic recovery in the stable areas of southern Sudan has continued apace. The Western Equatoria region of southern Sudan has produced food surpluses for four straight years. Southern Sudanese governance institutions, especially those associated with the Sudan People's Liberation Movement, have continued to gain experience, though they are still very weak and highly personalized.

While the prospects for a comprehensive peace have never been better, there are still many challenges ahead. The Sudanese people and the international community are not prepared to address the fundamental challenges to maintaining a peace settlement. The impact of the civil war and other local conflicts will be lasting, not resolved with a signed peace agreement or even with a peaceful interim period. Slavery, denial of access for humanitarian assistance, repression of basic rights, and deep divisions between Sudanese along ethnic and religious lines will remain. Communities outside the northern riverine states are still largely marginalized from economic opportunity and from making decisions that affect their lives. After 20 years of civil war, destruction and neglect has left little physical and institutional infrastructure in place. While some communities have restored rudimentary education services by constructing basic schools, and the international community has started rebuilding the health care system and saved many lives, Sudan remains one of the poorest countries in the world, facing massive development challenges.

Recently Operation Lifeline Sudan has begun to reach many more locations than in the past. But new access arrangements (agreed by the Khartoum Government and the Sudan People's Liberation Movement) have yet to be operationalized into unimpeded access. Large areas outside Operation Lifeline Sudan's framework remain isolated and inaccessible. The parties to the peace negotiations are skeptical of each other since peace agreements have been breached in the past. Even if the parties are able to make concessions to each other, they will likely have difficulty "selling" those concessions to southerners who see independence as their only option and to northerners who cherish unity. If the peace process fails, combatants will likely return quickly to war against civilian targets, causing death and displacement, and return to committing war crimes with impunity.

U.S. Government policy towards Sudan rests on three principles:

1. **The War on Terrorism.** The Government of Sudan is a state sponsor of terrorism. But it has been cooperating with the U.S. Government since the terrorist attacks on the United States on September 11, 2001.
2. **Peace in Sudan.** The current peace process should lead to a durable, implementable peace agreement that will guarantee human rights, religious tolerance, development, and participatory government.
3. **Humanitarian Access.** All parties to the civil war must allow unimpeded access for delivery of humanitarian and development assistance to communities in Sudan.

These three policy principles are inseparable, i.e., Sudanese officials cannot expect that cooperation in the war on terrorism will lead to less pressure on the peace process or to less insistence on humanitarian access, nor will progress on peace alone lead to a lifting of the sanctions related to terrorism.

For USAID, the challenge is to prepare Sudanese for the transition to peace and development. USAID responds to this challenge by funding an array of programs, ranging from short-term responses to the needs of people affected by the war and natural disasters to long-term investments in economic recovery and development. Programs are directed to achieve three strategic objectives in conflict mitigation, food security, and primary health care. All programs contain an element of capacity-building to increase the skills and abilities of Sudanese people and institutions and thereby increase their self-reliance. Numerous funding sources are used, as appropriate, including international disaster assistance, food aid, development assistance, transitional funding, and economic support funds. Funding levels are evolving away from short-term relief expenditures towards longer-term rehabilitation and development investments. USAID's programs work with, but not through, the relevant Sudanese authorities in each region of the country. In opposition-administered areas, USAID coordinates activities with the Sudan People's Liberation Movement. In government-administered areas, relief activities are coordinated with the Humanitarian Assistance Coordination office. USAID's assistance programs have been designed to operate with flexibility - changing methods and locations as necessary due to conflict - and scalability - so that programs can be expanded if the peace process succeeds.

After three years of success in grassroots reconciliation, USAID's programs in conflict prevention struggled during the past year, due to the weak capacities of Sudanese counterpart institutions, USG internal processes that slowed implementation, and, ironically, greater than expected progress by the national peace process. As USAID sought to assist opposition local governments, the judiciary, and civil society organizations, their management weaknesses slowed down progress. These are new institutions, often highly personalized and poorly organized, facing extreme duress in operating in cash-starved southern Sudan. Ironically, the incredible progress made by the IGAD-sponsored Peace Process in Machakos, Kenya - with support and mediation by the United States Government - distracted attention of southern Sudanese from resolving local people-to-people grassroots conflicts. Finally, USAID's programs were further slowed by the long delays within the U.S. Government in vetting grantees and contractors for the Treasury Department license needed to operate in Sudan despite sanctions against the Government of Sudan. USAID halted expansion of its program in support of county civil society-civil authority partnerships pending an evaluation of progress to date, but that evaluation was delayed for nine months for vetting the American evaluation contractor for a license.

USAID's programs in food security met expectations in the past year. Humanitarian assistance helped to sustain communities that had been displaced due to conflict or natural disaster (including floods) or were still vulnerable following drought or conflict in prior years, by providing food aid, emergency supplies of seeds, tools, fishing equipment, vaccinations for livestock to prevent epidemics and training of Sudanese community animal health workers. By providing 29,460 metric tons of commodities worth over \$59 million in FY 2002, P.L. 480 Title II emergency food assistance, USAID met critical food needs of vulnerable populations in both northern and southern Sudan. Humanitarian access to many locations is often difficult because of harsh environmental conditions and insecurity, requiring the food and relief to be flown in, and allocated through a direct distribution program. In cases where the Government of Sudan prevented access by the Operation Lifeline Sudan (OLS), food aid and humanitarian assistance was directed through non-OLS agencies. Of particular note was the expansion of relief assistance to the Nuba Mountains following a cease-fire agreement between the Government of Sudan and the Sudan People's Liberation Movement/Army, reached through the initiative of the President's Special Peace Envoy, Senator John Danforth, as well as the rinderpest vaccination campaign, which was successfully completed in June 2002 after the Danforth team was able to negotiate a "days of tranquility" agreement between the main combatants in the civil war. In stable areas, USAID continued to improve Sudanese capacities to meet their own food needs by restoring and increasing traditional food production, increasing market demand and access for local sources of food, and by providing access to start-up capital, thereby increasing economic growth and incomes. An evaluation of the STAR Program showed that development assistance helped to increase confidence in markets undergoing recovery, but that sustainable impact on incomes has not been achieved. Women's groups received an equitable share of benefits from the

program in the targeted counties, and reported (anecdotally) increased confidence and lower workloads, but only a few of the women's groups reported increases in incomes. Commodity networks in southern Sudan continued to receive training and technical assistance financed by USAID in 2002. This support increased trade capacities and fostered improved quality standards. Trade across the border with Uganda also continued to expand, despite the insecurity associated with increased incursions by the Lord's Resistance Army and the Ugandan Army's attempted Operation Iron Fist. Local capacities for community-based natural resource management were strengthened as teams of southern Sudanese professionals continued their research in agriculture and natural resource sectors under the Strategic Analysis Capacity Building program. USAID's programs in food security were slowed during the past year by the long delays within the U.S. Government in vetting grantees and contractors for the Treasury Department license needed to operate in Sudan despite sanctions against the Government of Sudan. USAID's Economic Rehabilitation program was stopped pending an evaluation of impact to date, but that evaluation was delayed for nine months for vetting the American evaluation contractor for a license.

USAID's programs in health met expectations in the past year. Humanitarian assistance continued to prevent the spread of epidemics and to meet the needs of the most vulnerable through timely delivery of basic primary health care services. In this context, basic primary health care is defined as meeting basic needs that have been disrupted by conflicts and disasters, such as treatment of diarrhea, communicable diseases and malaria; expanded program for immunization; nutritional assistance (micro-nutrient supplements); training of health workers; rehabilitation of health clinics and water points; and health education. Beneficiaries include displaced and vulnerable communities in southern and northern Sudan. USAID has also sought to reduce dependency on "relief health" in southern Sudan. A pilot program in two counties tested methods to introducing cost-sharing for a portion of the costs of community-based health centers and the local health administration, and found that cost-sharing is difficult in an environment where the local health departments are weak, the communities are entirely dependent on the international community for delivery of medicines, and information about policies and prices is not made available to ordinary citizens. USAID has also been implementing a pilot program in HIV/AIDS awareness in two locations of southern Sudan - Yei and Rumbek - that are nodes for trunk roads and economic recovery. It appears that prevalence rates may be lower than expected in Sudan, for now, but it is expected that economic recovery will increase the spread of the HIV/AIDS pandemic. USAID's programs in health were slowed during the past year by the long delays within the U.S. Government in vetting grantees and contractors for the Treasury Department license needed to operate in Sudan despite sanctions against the Government of Sudan. USAID sought to measure the basic indicators for maternal and child health through a Demographic and Health Survey, but that survey was delayed for three months while a license was sought for the American firm conducting the survey.

USAID faces several unusual challenges in Sudan. The most basic challenge is access to communities and beneficiaries. The transport infrastructure across this vast country has been largely destroyed by civil war (in the south) or by neglect and under-investment (in much of the north). Access is also limited by the Government of Sudan, which uses its leverage over Operation Lifeline Sudan to prevent assistance to populations in need. The main warring parties and numerous humanitarian agencies signed the Operation Lifeline Sudan agreement to coordinate assistance to war-affected populations. When the Government of Sudan denies humanitarian access to a specific location or group, the U.S. provides assistance outside Operation Lifeline Sudan, thereby risking attacks by the warring parties. In the last year, the Government of Sudan frequently and repeatedly denied access to war-affected communities, including the imposition of a total ban on assistance to western Upper Nile in May-June and the imposition of a "no-fly zone for humanitarians" across the entire southern border in September-October. In response, approximately 40% of all U.S. Government non-food humanitarian assistance is provided outside of Operation Lifeline Sudan.

The low status of women all over Sudan is another constraint on implementing programs. Assistance programs try to help the most economically active members of society -- in Sudan, women produce and process nearly all agricultural products (with the exception of livestock) and represent 65% of the population in southern Sudan. However, because of cultural barriers, it is difficult for international programs to reach women directly. USAID is re-doubling its efforts to take gender equity more seriously

than in the past. Additional funds have been directed to improving management of women's associations and advocacy groups, and all new programs seek a direct, measurable impact on women's prosperity.

The slow bureaucratic process within the U.S. Government for licensing organizations to operate in Sudan is another basic challenge. The Government of Sudan is sanctioned by the United States because of its status as a state sponsor of terrorism. Any U.S. organization or person wishing to conduct transactions with a Sudanese organization or person must first obtain a license from the Department of Treasury - including the U.S. Government assistance program. The vetting procedures for these licenses are slow and ill-defined, adding on average a six-month delay to all U.S. Government assistance programs in Sudan, ironically even delaying programs in support of opposition movements undertaking armed rebellion against the sanctioned government. USAID, State Department, and Treasury officials are now addressing this problem at the highest levels.

USAID is currently preparing a new Integrated Strategic Plan for Assistance in Sudan, to cover the period 2003-2005. It is likely that the new strategy will assume that progress towards peace will continue, and assistance programs should continue to prepare the Sudanese for peace. However, the strategy will be sufficiently flexible and scalable to allow for modifications if a peace agreement should not be signed - or worse, if a peace agreement is signed but is not observed by the parties. In any scenario, USAID's programs in Sudan are adept at adopting to new conditions should low-level conflict or insecurity impede program implementation.

Environmental Compliance: Plans for new or amended IEE or EA actions for coming year: New development assistance activities are being phased in, and a new strategic plan cycle is being planned as the current 2001-2003 Sudan strategic plan comes to an end. An Environmental Threats and Opportunities Assessment will be needed to meet FAA 118-119 requirements for the new plan. No new IEE actions are anticipated in FY 2003, however environmental management training will be held, and new strategic objective-level IEEs will be prepared when the new plan is designed. Office of Transition Initiatives and Office of Foreign Disaster Assistance activities will be transitioned into development activities, and environmental coverage provided accordingly.

Compliance with previously approved IEEs or EAs. A single amended consolidated IEE for all three strategic objectives was approved June 2002.

SO1 650-001 Enhanced Environment for Conflict Reduction
SO2 650-002 Enhanced Food Security through Greater Reliance on Local Resources
SO3 650-003 Enhanced Primary Health Care through Greater Reliance on Local Capacities

A strategic plan-level IEE was judged apt, based on the fact that the ten activities being implemented contribute to all three strategic objectives. Road rehabilitation under Development Assistance funding is deferred pending analysis and an amended IEE. Mission activities had been in compliance with the existing IEE for Sudan Transitional Assistance for Rehabilitation (STAR), which also covered the Social Organization and Administrative Rehabilitation (SOAR) activity added in FY 2001, and were placed under the AFR Environmental Screening and Review process for subsidiary actions. Through an umbrella grant to Catholic Relief Services (CRS), private local organizations receive small grants to enhance their capacity to solve local problems, work towards rehabilitation and hold civil authorities accountable. In keeping with the plan for compliance, a series of one or more ENCAP workshops is planned for FY 2003, starting in Rumbek February 2003.

Country Closeout & Graduation: N/A

D. Results Framework

650-001 Enhanced environment for conflict reduction

IR 1.1 Increased capacities for peace-building

- IR 1.2 Expanded capacities for good governance to address local priorities
- IR 1.3 Increased access to information, education and communication

Discussion:

650-002 Enhanced food security through greater reliance on local resources

- IR 2.1 Increased local production of food in target areas
- IR 2.2 Increased use of markets and trade in meeting local needs
- IR 2.3 Targeted food aid narrows food resource gap for vulnerable groups

Discussion:

650-003 Enhanced primary health care through greater reliance on local capacities

- IR 3.1 Increased Sudanese participation as a foundation for sustainability
- IR 3.2 Improved and expanded delivery of services

Discussion:

Selected Performance Measures - Sudan

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
a. How many alliances did you implement in 2002? (list partners)			
b. How many alliances do you plan to implement in FY 2003?			
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?			
Pillar II: Economic Growth, Agriculture and Trade			
USAID Objective 1: Critical, private markets expanded and strengthened			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total
USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Hectares under Approved Management Plans (2002 actual)			
b. Hectares under Approved Management Plans (2003 target)			
Pillar III: Global Health			
USAID Objective 1: Reducing the number of unintended pregnancies			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%		
USAID Objective 2: Reducing infant and child mortality			

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)

Male	Female	Total	
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Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)

Male	Female	Total	
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Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)

Male	Female	Total	
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Were there any confirmed cases of wild-strain polio transmission in your country?

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USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of births attended by medically-trained personnel (DHS/RHS)

%			
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USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Total condom sales (2002 actual)

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b. Total condom sales (2003 target)

|--|--|--|--|

National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)

%			
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Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)

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Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)

Male	Female	Total	
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Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)

%			
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Number of Clients provided services at STI clinics

|--|--|--|--|

Number of STI clinics with USAID assistance

|--|--|--|--|

Number of orphans and other vulnerable children receiving care/support

|--|--|--|--|

Number of Orphans and Vulnerable Children programs with USAID assistance

|--|--|--|--|

Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	

a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

USAID Objective 5: Reducing the threat of infectious diseases of major public health importance

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

Pillar III: Democracy, Conflict and Humanitarian Assistance

USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	